

## Subchapter E—General Contracting Requirements

### PART 2828—BONDS AND INSURANCE

#### Subpart 2828.1—Bonds

Sec.  
2828.106 Administration.  
2828.106-6 Furnishing information

#### Subpart 2828.2—Sureties

2828.204 Alternatives in lieu of corporate or individual sureties.

#### Subpart 2828.3—Insurance

2828.307-1 Group insurance plans.

AUTHORITY: 28 U.S.C. 510; 40 U.S.C. 486(c); 28 CFR 0.75(j) and 28 CFR 0.76(j).

SOURCE: 63 FR 16131, Apr. 2, 1998, unless otherwise noted.

#### Subpart 2828.1—Bonds

##### 2828.106 Administration.

##### 2828.106-6 Furnishing information.

In accordance with FAR 28.106-6(c), the HCA, or designee at a level not lower than the BPC, is the agency official authorized to furnish the certified copy of the bond and the contract.

#### Subpart 2828.2—Sureties

##### 2828.204 Alternatives in lieu of corporate or individual sureties.

When contractors submit any of the types of security described in FAR 28.204-1 through 28.204-3 in lieu of furnishing sureties, the contracting officer shall enter into an agreement with the contractor covering a bank account, and suitable covenants protecting the Government's interest, in which the securities will be deposited to protect against their loss during the period of the bond obligation.

#### Subpart 2828.3—Insurance

##### 2828.307-1 Group insurance plans.

Under cost-reimbursement contracts, before buying insurance under a group insurance plan, the contractor shall submit the plan to the contracting officer for review and approval. During re-

view, the contracting office should utilize all sources of information available such as audit, industry practices, etc., to determine that acceptance of the group insurance plan, as submitted, is in the Government's best interest.

### PART 2829—TAXES

#### Subpart 2829.3—State and Local Taxes

Sec.  
2829.303 Application of State and local taxes to Government contractors and subcontractors.

AUTHORITY: 28 U.S.C. 510; 40 U.S.C. 486(c); 28 CFR 0.75(j) and 28 CFR 0.76(j).

#### Subpart 2829.3—State and Local Taxes

##### 2829.303 Application of State and local taxes to Government contractors and subcontractors.

(a) It is DOJ policy that DOJ contracts shall not contain clauses expressly designating prime contractors as agents of the Government for the purpose of avoiding State and local taxes.

(b) Although circumstances may exist under which a contractor is an agent of the Government, even in the absence of a contract clause expressly designating a contractor as such, these circumstances should be extremely rare. Before any DOJ contracting activity may contend that any of its contractors are agents of the Government for the purpose of claiming immunity from State and local sales and use taxes, the matter will be referred to the AAG/A for review, and approval to ensure that DOJ policy is complied with and that the contracting activity's contention is fully in accordance with the pertinent legal principles and precedents. Each case forwarded will be reviewed by the HCA before referral to the AAG/A. The referral will include all pertinent data on which the contracting activity's contention is based, together with a thorough analysis of all relevant legal precedents.

(c) Whenever clauses, procedures, and business practices are cited by DOJ